

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

WATER SERVICE FOR RESIDENTS OF)
SOUTHEASTERN JOHNSON COUNTY) CASE NO. 8956

O R D E R

On December 7, 1983, the Public Service Commission received several telephone calls from residents of Richmond Hills Estates Subdivision ("Richmond Hills") of Southeastern Johnson County. The callers were complaining about the inability of Big Sandy Water Works, Inc., ("Big Sandy") to deliver water service to their residences. A field investigation was made on the same day in response to these complaints. Mr. Michael J. Wiley, President of Big Sandy, was informed of the complaints directly by staff members of the Commission. It was found that the residents of Richmond Hills had been without water service a number of times during October and November, 1983, and were again without water on December 7, 1983. Service outage problems continued during the remaining days of December. Repairs were made to ruptured water mains and service was restored. The Richmond Hills residents, however, experienced another outage of about 2 1/2 days between January 20 and January 23, 1984.

On January 3, 1984, a complaint letter and petition were received from Mr. David Montgomery, a resident of Richmond Hills. The letter and petition cited the severity of the water problem in Richmond Hills and asked that a hearing be scheduled on the matter. In response to the petition, a conference was held at Jenny Wiley State Resort Park on January 18, 1984.¹ The request for a hearing in the matter was held in abeyance pending the outcome of the conference.

Two options for service - other than service by Big Sandy - were discussed during the conference: (1) the construction of a connecting water main by the Auxier Water Company ("Auxier") from its existing main on Johns Creek Road, and (2) the construction of distribution mains to serve other homes in the area as well as those in Richmond Hills by the Johnson County Water District ("Water District"). The Auxier construction would be paid for by private financing. The Water District construction would be financed by the Farmers Home Administration, except that a connecting main for Richmond Hills could be done under the terms of an "Emergency Declaration" that had been made by the county judge. During the conference, Big Sandy clearly stated its desire to be relieved from its obligation to serve Richmond Hills.

A conflict of interest between Richmond Hills residents and other residents of the area was brought out during the meeting. Richmond Hills residents want their problem resolved as soon as possible, whereas other residents of the area want a more

¹ The initial scheduled date of January 10 was changed to January 18 due to snow and hazardous driving conditions in the area.


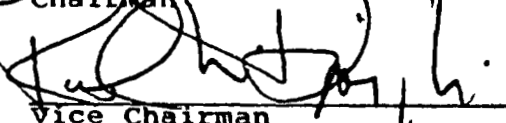

area-wide resolution to water problems affecting about 115 homes including those in Richmond Hills. Comprehensive planning for the area may be needed.

After considering the matter and being advised, the Commission is of the opinion and finds that a hearing should be held to determine the most reasonable method to insure adequate and reliable water service to this area and which of the three water purveyors (Big Sandy, Auxier or the Water District) should serve the area.

IT IS THEREFORE ORDERED that representatives of Big Sandy, Auxier and the Water District shall appear at a hearing at the offices of the Commission in Frankfort, Kentucky, on February 21, 1984, at 1:30 p.m., Eastern Standard Time and present their position on this matter. This hearing shall be for the purpose of determining the most feasible method for providing adequate and reliable water service in the future to the residents of southeastern Johnson County, Kentucky.

Done at Frankfort, Kentucky, this 13th day of February, 1984.

PUBLIC SERVICE COMMISSION


Chairman

Vice Chairman

Commissioner

ATTEST:

Secretary